

Dear Sir/Madam

*Re: Productivity Commission public inquiry into future options for childcare and early childhood learning*

### **About Children First Learning Centres Pty Ltd**

Children First Learning Centres Pty Ltd (CFLC) is a highly reputable private child care provider in Australia, with over twenty years experience successfully running early education centres. As a business we employ over 120 staff and have over 500 families utilising our services at any given time.

During the last twenty years we have seen, and embraced, the introduction of means-tested Child Care Benefit (CCB), non means-tested Child Care Rebate (CCR), changes in State and Federal regulatory bodies and an increased understating in the wider community of the importance of early education for children under the age of five. Changes to staff qualification requirements, work experience and reflective practices have also been critical in achieving today's best outcomes for young children.

CFLC's centres are open 52 weeks a year and offer educational programs for children from 6 weeks to school age. Our centres are based in Canberra and Brisbane and have licensed capacities for 120 and 105 children per day respectively; separated by age appropriate programs.

The centres' philosophies guide staff practices. Our dedicated educators are highly qualified and are steered in best practice by: the Education and Care Services National Law and National Regulations 2011, the National Quality Standards 2011, the Early Years Learning Framework "Belonging, Being & Becoming", as well as other relevant government regulatory bodies.

In August 2013 our Canberra centre was assessed under the National Quality Framework and we were proud to have been awarded an overall rating of Exceeding National Quality Standards.

### **The Important Role of Early Education Centres**

Early education centers are an essential service for working families, with current studies showing that there are major benefits for children under the age of five being exposed to high quality education programs.

Today one of the biggest obstacles facing families wishing to return to the workforce is the cost and availability of suitable child care places, which meet not only the children's needs, but also the family's needs. Problems with child care arrangements affect productivity and job effectiveness for both men and women. Access to child care is particularly imperative to mothers returning to work, with on average four out of five mothers currently choosing to return to the workforce.

Due to more flexible work places/employers and an increase in accessible quality child care, women with young children are able to return to work earlier and more easily. Most families accessing some form of child care are only familiar with current levels of financial assistance offered to working families, they have never experienced child care without subsidies.

## **Australian Government Subsidies and Rebates**

CFLC as a small business provides a vital service to its local communities. Unlike the community sector, CFLC is a privately owned entity therefore we are:

- not exempt from Payroll Tax
- not exempt from Fringe Benefits Tax
- not eligible for the majority of Grants

We appreciate the ongoing Government's commitment to ensuring Australian families have access to children's services, irrespective of their financial circumstances.

Since the introduction of the non-means tested Child Care Rebate (CCR) in 2004 (and its subsequent increase from 30% to 50% in 2008), there has been a notable growth in families accessing early education. Increasing the rebate to 50% of out of pocket expenses has made child care more affordable and more accessible to all families and has facilitated the return of many adults, in particular women, to the Australian workforce regardless of their socio-economic status. CCR has played a major role in recognising the need to provide families with access to more accessible child care options, reflecting the changing dynamics of the Australian workforce and modern families.

Despite this, there continues to be a disparity between available child care places for families returning to work and the flexibility of the employer. For example a parent is returning to work part-time and requires care for Monday, Tuesday and Wednesday, but the service only has Tuesday, Wednesday and Thursday available. In this instance the early learning centre is restricted and the employer needs to offer the flexibility to gain the maximum return to work for the parent. If the Australian workforce needs to retain skilled and experienced employees, then this needs to be seriously considered.

Statics in the media imply that families are having difficulty in accessing child care places, yet a large number of services continue to operate significantly under their maximum capacity. Is there a market saturation of early learning centres in some geographic areas that is contributing towards this? Are the hours offered not in line with families needs? Or is the child care usage data provided focusing on certain age groups, in particular under 3 year olds? Or is this because of the out of pocket expense cost of child care?

Following the introduction of the option to have CCR (capped at \$7,500 per child, per year) paid directly to the service, we have noted a significant take-up from families choosing to have this subsidy paid to the centres as a weekly reduction on their out of pocket expenses; indicating that families now rely on this financial assistance from the Australian Government.

We would like to comment that the 2011 decision to cap and freeze CCR at \$7,500 means the subsidy is now being absorbed more quickly, as it is not matching the annual CPI increases that our small business and our families continue to be subjected to.

In 2010 the Queensland Government introduced the Queensland Kindergarten Funding Scheme (QKFS). Over 850 long day care services are utilising this scheme, which is available to the kindergarten service provider, rather than families, and is designed to assist services to offset the cost of implementing and operating a kindergarten program. The QKFS has been particularly successful in retaining the 3 - 5 age group in long day care, meeting the needs of working families who require extended hours outside of the normal 9am - 3pm Kindy programs. The QKFS has been extremely beneficial in preparing children

for the transition to school and raising the profile of the importance of education for under 5 years olds. We would like the ACT Government to consider something similar.

We have seen in recent media that there have been discussions regarding the provision of Government subsidised nannies for families. In our experience nannies are typically employed by professional couples who have very demanding jobs, in the higher social economic brackets, their salaries reflecting their demanding positions. Nannies are often employed not just for child care purposes, but also for household management; due to the time constraints experienced by the parents. We would have reservations as to how this model of care would fit in and meet the new national quality standards.

In conclusion, we consider that any reduction in Australian Government child care subsidies could potentially reduce the demand and subsequent availability of places for children, resulting in both social and economic implications on the future prosperity of Australia. We would like the topic of availability vs feasible accessibility to be further investigated. We would like a QKFS type model to be considered for the ACT and we would recommend that nannies not fall under the NQF.

We thank you for taking the time to consider our submission for the Productivity Commission's public inquiry into future options for childcare and early childhood learning.

Yours faithfully,

Chris Sciffer  
Operations Manager  
Children First Learning Centres Pty Ltd